



601 E Street, NW
Washington, DC 20049

T 202-434-2277
1-888-OUR-AARP
1-888-687-2277
TTY 1-877-434-7598
www.aarp.org

November 5, 2009

The Honorable Nancy Pelosi
Speaker
United States House of Representatives
H-232, U.S. Capitol
Washington, DC 20515

Dear Speaker Pelosi:

On behalf of our nearly 40 million members, AARP is pleased to endorse the Affordable Health Care for America Act (H.R. 3962). We congratulate you for your leadership in advancing this comprehensive health reform legislation to protect and improve Medicare, address the skyrocketing costs of health care and prescription drugs, improve quality, and expand access to affordable coverage, including coverage for long-term services and supports.

Our all-volunteer, non-partisan Board has carefully evaluated the Affordable Health Care for America Act and has determined that the legislation includes critical reforms that will help AARP's members obtain the quality, affordable health care coverage that they need. We are particularly pleased that this legislation places a strict 2-1 "age rating" limit on how much more insurers can charge older Americans because of age and closes Medicare's onerous prescription drug doughnut hole. In addition, AARP supports accompanying legislation, H.R. 3961, which will prevent the impending 21.5 percent cut to Medicare physician reimbursement rates and permanently stabilize physician reimbursement to better assure patients access to their doctors. All are critical priorities for our members.

The bill will make other important changes to the insurance marketplace, including prohibiting insurers from discriminating based on health status or gender. It also will establish "Exchanges" where people without group coverage and small businesses can choose from plans meeting quality and coverage standards – including out-of-pocket limits and bans on lifetime coverage caps – with sliding-scale subsidies to make coverage more affordable for those with low and moderate incomes.

The bill takes important steps to help people live in their homes and communities and stay off Medicaid by establishing the Community Living Assistance Services and Supports (CLASS) program, a voluntary insurance program for long-term services and supports. The legislation also will increase asset limits and further strengthen programs that help Medicare's low-income enrollees afford the care they need. Moreover, it will also help

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provide services to high-risk Medicare beneficiaries to reduce unnecessary hospital readmissions and help beneficiaries safely transition to home or another setting after hospital discharge.

The bill protects all benefits in the traditional Medicare program and, by reducing waste and excess payments, achieves savings that will help strengthen Medicare's long-term financing. In addition to improving drug coverage under Medicare Part D, the legislation allows Medicare to negotiate with drug makers for lower drug prices. The bill also makes important improvements to Medicare by eliminating cost barriers to preventive care and addressing provider shortages by increasing primary care payments and funding to train primary care physicians and nurses. The legislation will revise payment incentives to better reward quality rather than quantity of care, and will commit more resources to fight fraud and abuse.

AARP also supports provisions to promote evidence-based workplace wellness programs to reduce both employer and employee costs without creating a backdoor to discrimination based on health status. We also strongly support increased access to health care in Puerto Rico and the territories.

As the legislative process moves forward, we encourage you to consider additional improvements to this bill. For example, we remain troubled that the legislation requires our members to wait 12 years or more for affordable generic versions of powerful biologic drugs that now can cost tens of thousands of dollars a year. Improving the biologics provisions to be more in line with the proposal offered by House Energy and Commerce Committee Chairman Waxman will not only benefit consumers and other health care payers (like Medicare and Medicaid), but will bend the cost curve for decades to come.

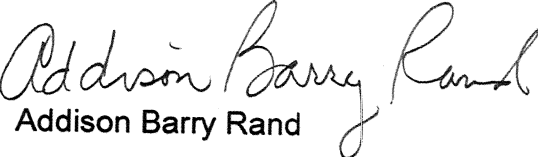
We encourage you to include funding for Medicare Graduate Nursing Education, as in the Senate Finance Committee bill, to further help address our nation's severe shortage of primary care providers and chronic care managers.

Finally, we also encourage you to add improvements to expand access to Medicaid home and community-based services (HCBS) by providing financial incentives to states, as in the Senate Finance Committee bill, to help individuals live independently in their own homes. AARP believes together with the CLASS plan, the Medicaid HCBS provisions can help keep millions of Americans out of nursing homes and in their own homes – an important priority for our membership.

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We will be urging all Members of Congress to vote in favor of the Affordable Health Care for America Act. Because AARP members have a strong interest in how their elected officials vote on key issues, we will be informing them about how their Representatives vote on this important issue. We again commend your leadership and look forward to working with you to enact comprehensive health care reform legislation into law this year.

Sincerely,


Addison Barry Rand